

REGULAR BOARD OF TRUSTEES MEETING

The regular monthly meeting of the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., was held Tuesday, March 8, 2022, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by President, Chris Kelly, who acted as chairman and presided at the meeting. Kitty Sweaney, Accounting & HR Manager, recorded the minutes thereof.

Upon calling the roll, the following Trustees reported as present:

Kenneth Bates	Stephanie Ollenborger	Steve Clark
Don Land		Dan Hubert
Steve Warburton	Chris Kelly	Charles McMillan

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Oscar Mattocks, Montana Johnson and Kitty Sweaney. Trustee Clark and Counsel Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Don Land offered a prayer, and Chris Kelly opened with the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. There were none.

The next order of business was review of the minutes of the regular board meeting of February 8, 2022. It was moved by Dan Hubert, seconded by Charles McMillan, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Steve Warburton, second by Charles McMillan, it was unanimously carried to approve the new members as presented.

The Board reviewed the January 2022 expenditures, with discussion held on the payments of franchise taxes collected for the cities we serve.

Old accounts were presented for consideration. It was noted that one was paid in full. It was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to turn the remaining old account over for collection as presented.

The Board reviewed the Operations, Loss Control & Safety Report including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. Discussion was held on line changes due to state of Kansas highway projects, as well as burning of pastures that sometimes result in burned poles. Billing for damages was left up to staff's discretion. It was moved by Don Land, seconded by Dan Hubert, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck had nothing to report at this time.

Allen Zadorozny then reviewed the January financial statements. There was an unexpected loss for the month of \$83,674.62 as a result of a higher power bill than budgeted, as well as less revenue due to milder weather and sales being down. With the \$1,000,000 draw down on the RUS-FFB note in December, cash on hand is slightly over \$3,000,000. The CoBank line-of-credit has been paid down to \$300,000. It was the

consensus to continue “chipping away” at the balance, and possibly paying it off completely in a few months. The long-term debt-to-assets ratio remained the same as the previous month, at 44.9%. Zadorozny compared revenues and expenses to budget and also the previous two years, and reviewed the cash receipts and expenditures for the month. He also went over the power bill and right-of-way clearing expenses. KEPCo’s power costs due to the extreme cold weather event a year ago will be reflected on the cooperatives’ bills through next January, and is recovered in their ECA charges.

Discussion was held on the solar generation progress. Possible sites have been presented to Today’s Power, Inc., but staff has not yet heard back from them. It was noted that the agreement was signed with TPI, and Caney Valley will be responsible for its share of the upfront cost on the project. Discussion was also held on the one member who has parallel generation, and the manner being credited for the usage.

Don Land, who served on the scholarship committee with Steve Clark and Chris Kelly, advised the Board that there were a total of 10 scholarship applications. Caney Valley provides 7 scholarships annually. An anonymous person stepped forward once again to provide 2 additional scholarships, and it was the committee’s recommendation that Caney Valley provide one extra scholarship this year, so that all 10 applicants could be awarded a scholarship. It was the consensus of the Board to approve the committee’s recommendation.

The Board was reminded that Caney Valley’s annual meeting is next week, March 17.

Outstanding capital credited to members was presented to the Board for possible consideration in paying out a few years, possibly later in 2022. After discussion, it was suggested it be brought before the Board later in the year.

Dan Hubert reported on the February KEPCo meeting. He noted that KEPCo was established in 1975. Wolf Creek is running near 100% power, and Iatan II is in market reserve status. Wolf Creek had completed 4 of the canisters being stored with 37 spent rods each, and were working on the 5th. The next meeting is March 24.

Chris Kelly did not have a KEC report. He did sit in online for the NRECA meeting held in Nashville, and Allen Zadorozny dialed in to cast Caney Valley’s votes when Kelly had to leave the meeting.

Zadorozny advised the Board regarding the Capper project which Caney Valley contributed to last month, that Lee Tafanelli, CEO at KEC, after only receiving positive responses from about 50% of the cooperatives, was able to secure contributions from CFC, CoBank and Touchtone. Those contributions were more than enough to cover the funds needed, so he is considering refunding the donated amounts back to the cooperatives that participated. Tafanelli also discussed adding an expert to KEC to be responsible for cyber security issues for the cooperatives. He feels this is the biggest threat to field and line equipment, as well as office equipment.

The following January 2022 Inventory of Work Orders was presented for consideration: #879 for \$86,791.09. It was moved by Don Land, seconded by Kenny Bates, and unanimously carried, to approve this Work Order as presented.

Steve Clark mentioned that he attended the recent CFC directors’ workshop, and it was excellent and far exceeded his expectations. He highly recommended that other trustees attend if it’s presented again in the future.

A detailed agenda for the annual meeting next week was given to the trustees. It was noted that Colleen Wells, KEPCo, and Doug Shepherd, KEC, would both be in attendance.

Stephanie Ollenborger commended trustee Charles McMillan for earning the NRECA Director's Gold certificate after completing all the necessary trainings/credits.

There being no further business to come before the trustees, it was moved by Kenny Bates, seconded by Dan Hubert, and unanimously carried, to adjourn at 8:37 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Don Land, Secretary